

Special Session

Agenda Item #	8
Meeting Date	September 19, 2005
Prepared By	Barbara B. Matthews City Manager
Approved By	

Discussion Item	2nd Reading Ordinance Regarding FY06 Budget Amendment No. 1
Background	<p>On June 20, 2005, the City Council approved an ordinance amending the FY05 budget. One of the items included in this budget amendment was the appropriation of \$168,591 from the Equipment Replacement Reserve for the purchase of a trash truck as authorized by Ordinance 2005-7. As noted by staff at that time, it was conceivable that the actual delivery date for the trash truck could occur in early July. This in fact occurred, necessitating the proposed amendment. Following first reading of the ordinance, the Director of Finance suggested an alternate method of accounting for this transaction, resulting in certain minor modifications to the ordinance for second reading.</p> <p>On July 25, 2005, the City Council adopted Ordinance 2005-24, authorizing the purchase of furniture and equipment for the Community Center. The ordinance authorized the expenditure of \$14,504 from the unappropriated funds to supplement funds provided by the Takoma Foundation. The proposed amendment would formalize the City Council's intent in this regard.</p> <p>On July 18, 2005, the Community Center Liaison Committee addressed the City Council, asking that the City undertake two technical studies related to the possible construction of a gymnasium. The first study would involve the conduct of two additional borings in the proposed location of the gymnasium to gain a better understanding of soil conditions in the area. The second study would entail the application of appropriate surface geophysical methods in order to image and mark existing utilities.</p> <p>During the discussion of the Committee's request, the City Council requested that the City Manager consult with the City Engineer regarding the proposed scope of service for the subsurface utility engineering work. On July 25, 2005, the City Manager informed the City Council that the City Engineer felt that the proposed scope of service was sufficient to provide the desired preliminary information about utilities in the area. The City Manager further advised the City Council that further work would be required should the City Council choose to proceed with the construction of a gymnasium.</p> <p>During the discussion on July 25, 2005, the City Manager informed the City Council that she had reviewed the boring proposal with the project architect, Lawrence Abell and Associates. The firm suggested that the City obtain more borings than the two proposed by the Community Center Liaison Committee, noting that the majority of the cost was attributable to mobilization. Consequently, the additional cost for more borings would not be that significant.</p> <p>On September 6, 2005, the City Council agreed that the City should undertake the two studies recommended by the Community Center Liaison Committee. As the FY06 budget does not include funding for this work, a budget amendment is required.</p>

	<p>to transfer funds from the unappropriated reserve to the Community Center Fund. It remains to be determined how many additional borings should be conducted and the location of the borings. These decisions will be made in conjunction with the project architect and the firm retained to do the work. Pending resolution of these issues, staff has included a total of \$13,510 in the proposed budget amendment.</p> <p>On September 12, 2005, the City Council approved the expenditure of funds for landscaping and other site improvements. As the FY06 budget does not include funding for this work, a budget amendment is required to transfer funds from the unappropriated reserve to the Community Center Fund.</p> <p>The City and Montgomery County previously entered into a Memorandum of Understanding regarding the renovation of 7133 Carroll Avenue. In accordance with the terms of the Memorandum of Understanding, the City will be reimbursed for the cost of the renovation. The FY06 budget must be amended to reflect the expenditure of funds for the renovation as well as the reimbursement the City will receive from Montgomery County.</p>
Policy	The Code of the City of Takoma Park requires budget amendments to be approved by a two-reading ordinance.
Fiscal Impact	The balance of the Equipment Replacement Reserve would be reduced by \$168,591. The unappropriated reserve would be reduced by \$41,514. Community Center Fund expenditures would increase by \$27,010. General Fund revenues would increase by \$91,947. Capital outlay expenditures would increase by \$183,095.
Attachments	Proposed FY06 Budget Amendment Ordinance No. 1
Recommendation	Staff recommends that the City Council adopt the proposed ordinance at second reading.
Special Consideration	

**ORDINANCE NO. 2005-28
FY06 BUDGET AMENDMENT NO. 1**

WHEREAS, by Ordinance No. 2005-7, the City Council authorized the purchase of a trash truck; and,

WHEREAS, said trash truck did not arrive until July 2005, thereby necessitating an amendment to the FY06 budget; and,

WHEREAS, by Ordinance No. 2005-24, the City Council authorized the expenditure of \$14,504 from the unappropriated reserve to supplement funds provided by the Takoma Foundation (\$91,947) for the purchase of furniture and equipment for the Community Center; and,

WHEREAS, the FY06 budget must be amended to reflect said authorization as well as the receipt of said funds; and,

WHEREAS, the Community Center Liaison Committee requested that the City undertake certain technical studies related to the possible construction of a gymnasium; and,

WHEREAS, on September 6, 2005, the City Council agreed that the City should undertake said work; and,

WHEREAS, the FY06 budget does not include funding for this purpose; and,

WHEREAS, on September 12, 2005, the City Council agreed that funding should be provided for landscaping on and around the Community Center; and,

WHEREAS, the FY06 budget does not include funding for this purpose; and,

WHEREAS, the City and Montgomery County previously entered into a Memorandum of Understanding regarding the renovation of 7133 Carroll Avenue; and,

WHEREAS, in accordance with the terms of the Memorandum of Understanding, the City will be reimbursed for the cost of said renovation; and,

WHEREAS, the FY06 budget must be amended to reflect the expenditure of funds for said renovation as well as the reimbursement the City will receive from Montgomery County.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2006 Budget be amended as follows:

General Fund – Transfers

1. Transfer \$13,510 from account 9000-8200, Unappropriated Reserve, to account **9200-9000**-8101, Community Center Fund Transfer, for certain technical studies related to the possible construction of a gymnasium.

2. Transfer \$14,504 from account 9000-8200, Unappropriated Reserve, to account 9100-8006, Community Center Furnishings and Equipment, for the purchase of furniture and equipment for the Community Center.
3. Transfer \$13,500 from account 9000-8200, Unappropriated Reserve, to account 9000-8101, Community Center Fund Transfer, for landscaping and other site improvements.
4. Transfer \$168,591 from account 0001-2030, Reserve for Equipment Replacement, to account 9100-8003, Equipment Reserve, for purchase of a trash truck.

General Fund – Revenues

- ~~1. Appropriate \$168,591 to account 0001-3662, Equipment Reserve, for purchase of a trash truck.~~
21. Appropriate \$91,947 to account 0001-3663, Designated for Community Center, for receipt of funds from the Takoma Foundation.

General Fund – Expenditures

- ~~1. Appropriate \$168,591 to account 9100-8003, Equipment Reserve, for purchase of a trash truck.~~
- 2-1. Appropriate \$91,947 to account 9100-8006, Capital Expenditures for the Community Center, for the purchase of furniture and equipment.

Community Center Fund – Revenues Transfers

1. Appropriate \$13,510 to account 0050-3385, General Fund Transfer, for certain technical studies related to the proposed construction of a gymnasium.
2. Appropriate \$13,500 to account 0050-3385, General Fund Transfer, for landscaping and other site improvements.

Community Center Fund – Expenditures

1. Appropriate \$13,510 to account 0050-6140, Contracts, for the conduct of certain technical studies related to the proposed construction of a gymnasium.
2. Appropriate \$13,500 to account 0050-5307, Site Improvements, for landscaping and other site improvements.

Special Revenue Funds – Revenues

1. Appropriate \$271,000 to account 0010-3910, Mont. Co. 7133 Carroll Avenue, for reimbursement from Montgomery County for the renovation of 7133 Carroll Avenue.

Special Revenue Funds – Expenditures

1. Appropriate \$271,000 to account 0010-7243, 7133 Carroll Avenue, for the cost of renovating 7133 Carroll Avenue.

SECTION 2. This Ordinance shall become effective upon adoption.

Adopted this _____ day of _____ by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT:

Note: Additions made since first reading are highlighted. ~~Strikethrough~~ reflects deletions made since first reading.